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## STATEMENT OF

**GARY L. EAGER**

**AGENCY PRESIDENT FOR THE U.S. POSTAL  
INSPECTION SERVICE**

**FEDERAL LAW ENFORCEMENT OFFICERS  
ASSOCIATION**

**BEFORE**

**THE**

**COMMITTEE ON GOVERNMENT REFORM AND  
OVERSIGHT  
SUBCOMMITTEE ON THE POSTAL SERVICE  
U.S. HOUSE OF REPRESENTATIVES**

**RE: "THE U.S. POSTAL SERVICE AND THE POSTAL  
INSPECTION SERVICE: MARKET COMPETITION AND  
LAW ENFORCEMENT CONFLICT?"**

**P.O. Box 740, Washington DC 20044**

**Administrative Services (717) 938-2300 • 1811 Newsletter (607) 277-4899**

**July 25, 2000**

**House Subcommittee on the Postal Service  
Committee on Government Reform and Oversight  
Washington, D.C. 20515-6147**

Re: U.S. Postal Inspection Service.

Mr. Chairman and Members of the Subcommittee:

Mr. Chairman, distinguished members of the Subcommittee, ladies and gentlemen, my name is Gary Eager. I am a member of the National Executive Board of the Federal Law Enforcement Officers Association (FLEOA), which is a voluntary non-partisan professional association representing exclusively the interests of more than 18,000 members who are federal law enforcement officers, and special agents from more than fifty agencies in the Federal Government. We are the largest such organization in the world representing Federal law enforcement. There are 1030 Postal Inspectors belonging to FLEOA which comprises 50% of our workforce. Broken down further, approximately 60% of the Postal Inspectors assigned to field offices belong to FLEOA.

I serve FLEOA as the Agency President for the U.S. Postal Inspection Service, elected by my fellow FLEOA Postal Inspector members and have served in this capacity for the past 4 years. I also serve as the National Chapters Director for FLEOA. I am a U.S. Postal Inspector working as a supervisor assigned to the Southeast Division, Atlanta, GA. I have been a Postal Inspector for more than 22 years primarily working street crimes such as armed robberies of post offices having been assigned to offices in Chicago, IL, Gary, IN, Cincinnati, OH, and Memphis, TN. Prior to becoming a Postal Inspector, I was employed as a police officer for the St. Louis, MO, Metropolitan Police Department. All in all I have more than 27 years experience in law enforcement. I am also proud to say I am a Viet Nam veteran.

Seated with me is Richard Gallo, National President of the Federal Law Enforcement Officers Association. Mr. Gallo is here to show solidarity and our association's total support for our FLEOA Postal Inspectors.

FLEOA appreciates the opportunity to appear before you today to provide testimony on the feasibility of having the U.S. Postal Inspection Service, a federal law enforcement agency, separated from the U.S. Postal Service. FLEOA believes any discussion of this nature must include not only an overview of the current direction of the Inspection Service, but should weigh the Postal Service's move toward reform and/or privatization.

FLEOA's overriding concern is the issue of privacy and sanctity of America's communications and the future role of the Inspection Service.

Distinguished members of this Subcommittee, FLEOA respectfully asserts that the Inspection Service appears to be having difficulty obtaining the necessary fiscal and personnel resources to fulfill its public service obligations. Although well intentioned, it appears that the Inspection Service is continually presenting a "value added" approach to Postal Service management in an effort to gain recognition on what we mean to the overall performance of the organization.

Second, we are concerned about the perception from the private sector that the Postal Service has an unfair advantage over its competitors by having a federal law enforcement agency attached to it.

Last fall, Ken Weaver was appointed as our new Chief Postal Inspector. We believe he is a capable leader and has the utmost integrity, but we are concerned that he will not be afforded the latitude to get our Agency back on track. I want to make it clear, we are not speaking on the Chief's behalf nor have we collaborated with any of his direct reports in bringing these issues forward

The U.S. Postal Inspection Service, one of America's oldest law enforcement agencies, can trace its roots to Benjamin Franklin. We have a proud history of service to the American public and to the Postal Service. The men and women of the Inspection Service rank among the finest in the federal, state and local law enforcement communities.

As a federal law enforcement agency we enforce over 200 federal laws relating to the fraudulent use of the postal system and U.S. Mail. The protection of the Postal Service and its nearly 800,000 employees are also core responsibilities of the Inspection Service. In addition, the Inspection Service has traditionally been a leader in areas of security and crime prevention.

In 1970 the Postal Reorganization Act was passed by Congress which changed the Postal Service by defining it as an independent establishment of the executive branch of the Government of the United States. The purpose of the act was to improve the efficiency and the performance of the Postal Service in a growing competitive business environment.

Since the Postal Reorganization Act the competition and technological advances have far surpassed what we believe was envisioned in 1970. The rise of major corporations and the advances in electronic communication via the Internet has and will continue to change the Postal Service. Accordingly, the Postal Service, like any business, is having to adjust to the changing business environment by prioritizing those program areas that keep the organization fiscally sound and cutting those Departments viewed as overhead.

The U.S. Postal Inspection Service's role in the past has been the protection of postal employees and the mail; enforcing postal laws; personnel and plant security; conducting internal audits; and conducting criminal investigations. This traditional role abruptly changed in 1996 when the Office of Inspector General for the U.S. Postal Service was created. The Inspection Service's loss of their Inspector General jurisdiction for the Postal Service changed the Inspection Service's priorities to criminal investigations supporting the concept of sanctity of the mail, security and crime prevention.

The Inspection Service's loss of their Inspector General responsibility was primarily a result of a working relationship and a chain of command that was not providing the necessary oversight for the Postal Service as required and expected. The managers of the Inspection Service and those of the U.S. Postal Service were both aligned under the Postal Career Executive Service which promoted the perception that the U.S. Postal Service was being provided oversight by its own managers which in many instances proved to be true. The lack of independence by an objective Inspector General did not provide the mechanism needed for organizational accountability.

Prior to the new OIG being established, the Inspection Service's priorities were consistent with the business needs of the Postal Service often -- times at the detriment of their public service obligations. The commitment to the criminal programs was adversely impacted by the necessity of the Inspection Service to prioritize its audit and revenue protection programs. The personnel resources allocated to the various programs reflected this commitment to prioritize those program areas deemed most important to the Postal Service, specifically those programs tied closely to its revenue. It appeared and many of us believe that the Postal Service placed greater value on our audit and revenue protection programs than they did on some of our criminal programs. This emphasis even became more pronounced from 1992 through 1999.

After the OIG was established, the process of transferring responsibilities began which resulted in the loss of Postal Inspector positions despite the fact that no level of service review was conducted to establish a base line for Inspector positions. Crime rates, population studies, facility size, volume of mail, etc., which would normally be considered were not analyzed to determine if the Inspection Service could perform at the proper level of service to meet its public service obligations. The last level of service review was conducted in 1994, and was only selectively applied. Even this level of service review was flawed, i.e., it addressed the re-allocation of resources from an existing complement. The baseline for Inspector positions is and has been a business decision as opposed to a law enforcement decision based on the needs of the organization. We feel that if a proper level of service review had been conducted in 1996, it would have disclosed the Inspection Service was understaffed.

For more than 20 years the Inspection Service has not been allocated a significant increase in personnel resources despite the increase in demands for its public service commitment. In 1975 there were approximately 1700 Postal Inspectors compared to an authorized complement of approximately 1900 in the year 2000. The Postal Service, on the other hand, experienced a significant growth in both employees and the volume of

mail it handled. Inspection Service management continued throughout the years to prioritize and reprioritize programs and relied on a professional workforce that could do more with less. During this time frame, other federal law enforcement agencies increased in both allocation of personnel and fiscal resources consistent with their public obligations. The Inspection Service's growth did not parallel that of the Postal Service or that of other federal law enforcement agencies consistent with their public service demands. **The only thing that can be said about our complement is that it is simply a historical number.**

Naturally, all local, state, and federal agencies suffer from time to time with resource needs, but they do in fact put forth an effort to identify what is reasonable and affordable and direct their efforts toward providing the best service possible. The FBI, Secret Service, DEA, and other federal law enforcement agencies have grown significantly over the past 20 years and clearly do not operate within a closed personnel resource budget. We submit our Government does not consider these agencies overhead. Most of all, they conduct some form of program management to evaluate and measure how well they are doing. For all practical purposes the Inspection Service quit program management in 1993, but did manage to re-allocate as many resources as possible to their revenue protection and audit programs at the detriment of many criminal programs such as mail theft, prohibited mailings, and mail fraud.

In the 1999 Annual Report of Investigations of the United States Postal Inspection Service, our management system shows we are to align our activities with the Postal Service management system called "Customer Perfect." The Inspection Service aligns its goals with three main categories of the Postal Service: "the Voice of the Customer, the Voice of the Employee and the Voice of Business." I could go into great detail concerning establishing goals which are allegedly tied to the voices, but it would be merely rhetorical. The voices do nothing to address our resource needs. As previously stated, we simply re-allocate. Even given our displeasure with this concept being applied to a law enforcement organization, I submit FLEOA is simply acting as a Voice of the Employee.

In December of 1997, the Inspection Service budget and other issues prompted FLEOA to conduct a survey among its Postal Inspector membership to get their input as to what they felt was the status of the Postal Inspection Service. Sixty-one per cent (61%) of the membership felt the public was not getting the proper level of service; seventy-five per cent (75%) indicated there was not enough personnel resources assigned to the criminal programs; seventy-four per cent (74%) indicated the workload was not fairly distributed; and seventy-six (76%) indicated that our position among the federal law enforcement community had weakened. Even though our survey accounted for only 25% of the work force, we considered the responses to be disturbing. The results were provided to former Chief Postal Inspector Kenneth Hunter.

The partial results of the survey as identified above were also conveyed to Mr. Einar Dyhrkopp, Chairman of the Board of Governors, U.S. Postal Service, in a letter dated March 31, 1999. The letter expressed our concern that the monetary budget for the

Inspection Service was being greatly reduced due to money being diverted to the Office of Inspector General. Mr. Dyhrkopp was also advised that the Inspection Service had no personnel budget based on analysis of workload, demographics, crime trends, etc. Mr. Thomas Koerber, Secretary to the Board of Governors, responded on behalf of Mr. Dyhrkopp by stating that many of the issues raised in our letter could be more appropriately handled by management or the Chief Postal Inspector. He also assured FLEOA that "Management has assured the Governors that there is no corresponding decrease in the Inspection Service budget to accommodate funding for the OIG." This response was simply not accurate.

A victim of re-allocating resources has been our Mail Fraud Program where other federal law enforcement agencies are expending many more work hours than the Inspection Service to combat the fraudulent use of the mail. The Inspection Service has reduced their allocation of work hours in this program by 25% since 1992. This is not consistent with the level of service required to meet public demands. Despite this situation, the Inspection Service has achieved remarkable results with limited resources. We want to emphasize that other agencies should work mail fraud, but that should not diminish the Inspection Service's primary responsibility in this program area. Perhaps a greater commitment by the Inspection Service would probably allow the other agencies to divert their resources in areas of their primary jurisdictions. I can assure you that a greater commitment by us in the Mail Fraud Program would please every U.S. Attorney's office in the country.

Another example is the refusal of the Postal Service to provide adequate pay for our lab personnel. The issue of establishing a pay scale comparable to other federal law enforcement agencies for our lab personnel goes back as far as 1995. It is my understanding the OIG recently submitted a report recommending the pay adjustments; however, the Postal Service denied the pay comparison without considering the OIG report. As you can imagine, our crime labs are an integral part and form the very foundation for our investigative successes. Denying pay comparability is not only a bad law enforcement decision, but it is a bad business decision. We are losing personnel and I doubt if they will or can be replaced since people with those skills are hard to find especially since they can get better pay with other agencies. The impact of this decision will not only have an adverse impact on our investigations, but will hamper our liaison with prosecutors and other law enforcement agencies. Prosecutors do not care about our internal problems; they just want lab results from our investigations in a timely manner.

On June 26, 2000, the Inspection Service once again announced a reduction in complement consistent with the Postal Service being faced with the need to reduce the overall complement. These reductions are to take place at the end of fiscal year 2001. This will include 23 Inspector positions in addition to 72 investigative analyst positions which were just recently approved. This reduction is in addition to the targeted reduction of 125 Postal Inspector positions as a result of the audit function being reassigned to the Inspector General. Again, this is being done without a level of service review or any consideration that the Inspection Service was severely understaffed prior to 1996. In addition, this reduction clearly points out that our resources are in fact being

reduced to staff the OIG without any supporting study or justification other than the traditional method of re-allocating resources.

When reviewing my testimony, consider that the Postal Service has an annual budget of 64 billion dollars and the allocation to the Inspection Service is only  $\frac{3}{4}$  of one percent. Included in this budget are the 1400 Postal Police Officers who provide security at our major facilities. And of course, the cost of our lab personnel in the overall picture speaks for itself. Simply put, it appears the Postal Service is acting like a business by cutting costs from those areas considered overhead. I submit the Inspection Service is not overhead nor are we a corporate security entity. We are a federal law enforcement agency with a public service mandate and should be accorded the tools to carry on our mission based on sound, reasonable public service considerations.

As it stands now, the future of the Inspection Service is naturally tied to the fiscal viability of the U.S. Postal Service in addition to the value placed on its public service obligations. The need for the Inspection Service remains the same as it did at the very beginning of our Nation, however, the value placed on it by its parent organization is becoming a questionable factor when evaluating whether or not the American people and the Postal Service are getting the protection to which they are entitled.

As I previously mentioned, we are concerned about the ongoing perception by some that having a law enforcement agency tied to the Postal Service is an unfair business advantage. This concern is being heightened now that the Postal Service is moving into the area of e-commerce and some competitors might think that our law enforcement activities could be used as a marketing tool. What these competitors see as unfair competition is viewed by FLEOA as crime prevention. However, we feel our members being law enforcement officers are very sensitive to any such allegations. The reality is that the Inspection Service is the only major federal law enforcement agency tied to a quasi-government/quasi-business agency. This relationship creates problems and/or perceptions that other federal law enforcement agencies do not experience. We are facing budget cuts; it appears to many of us that we are viewed as overhead; our lab and program management is and has deteriorated; we need a level of service review; our allocation of resources is questionable; and last, we are uncertain of the future.

Should consideration be given to placing us under the executive branch of government with other federal law enforcement agencies? FLEOA recommends that this issue be debated to ensure the Inspection Service remains the primary agency to conduct investigations of violations of the sanctity and fraudulent use of communications as intended by our forefathers. In the event the reform of the Postal Service continues to move toward privatization; FLEOA believes at some point the Inspections Service will have to move to the executive branch of government to survive as a federal law enforcement agency. This would be practical and good public policy. Consistent with this move should require legislation to include all carriers in the postal system. Sanctity and privacy of communications should not be the victim of privatization or reform. FLEOA believes the ultimate outcome of the debate will rest with the Congress and Postal Service's attitude toward our public service obligations and the forces of

competition. The Inspection Service was meant to be a part of the government and our existence supports and enforces every citizens right to have security for their communication.

This concludes FLEOA's statement. FLEOA and I wish to thank the Subcommittee for its work on this topic. I stand ready to answer any questions the Subcommittee may have.

Respectfully,

A handwritten signature in cursive script, appearing to read "Gary J. Eager".

Gary J. Eager

FLEOA Agency President, U.S. Postal Inspection Service